

April 2, 2004

Gary Gray, Environmental Coordinator  
West Ridge Resources, Inc.  
P.O. Box 1077  
Price, Utah 84501

Re: Five-Year Permit Renewal, West Ridge Mine, West Ridge Resources, Inc.,  
C/007/0041, Outgoing File

Dear Mr. Gray:

The permit renewal for the West Ridge Mine is approved effective April 1, 2004. Enclosed are two (2) copies of the renewed permanent program permit with four conditions for the West Ridge Mine to be signed by the designated signatory authority for West Ridge Resources, Inc.

Please return one signed original to the Division. Please be advised that as part of Condition #3, potential habitat for Mexican Spotted Owl must be identified and addressed by May 3, 2004 and be included as part of the mining and reclamation plan (call Jerriann Ernsten at 801-538-5214 for details).

If you have any other questions, please call me, or Pamela Grubaugh-Littig at (801) 538-5268.

Sincerely,

Lowell P. Braxton  
Director

Enclosures

cc: James Fulton, OSM, WRCC  
PFO

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UTAH DIVISION OF OIL, GAS AND MINING  
STATE DECISION DOCUMENT  
For  
PERMIT RENEWAL

West Ridge Resources, Inc.  
West Ridge Mine  
C/007/0041  
Carbon County, Utah

April 1, 2004

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## ADMINISTRATIVE OVERVIEW

West Ridge Resources, Inc.  
West Ridge Mine  
Five Year Permit Renewal  
C/007/0041  
Carbon County, Utah

April 1, 2004

### BACKGROUND

West Ridge Resources, Inc. (Andalex Resources, Inc. and Intermountain Power Agency) permitted this underground mining operation (West Ridge Mine) in Carbon County, Utah approximately 10 miles north of Sunnyside, Utah in April 1999. The permit area is located on the east side of the Price River drainage basin at the western edge of the Book Cliffs at an elevation ranging from 6,800 feet at the mouth of C Canyon to over 8,800 feet on the top of West Ridge. The mine is located on federal and state owned land leased by the applicant.

Previous mining in the area consisted primarily of small exploration type projects. In the mid-1950's, the road along the bottom of C Canyon was constructed to a drill site located in the right fork. The road was improved again in 1985 to facilitate drilling equipment for a water monitoring drill hole site in the right fork.

Mining has also occurred underground within the lease from the Sunnyside No. 2 mine. During 1959 and 1960 Kaiser Coal mined a two-entry exploration section northwestward into the center of the coal lease (SL-068754), for a total distance of 11,000 feet along the strike of the Lower Sunnyside seam. A section was developed off from this main entry in which mining proceeded in an up-dip direction to the west for approximately 2000 feet before breaking out in B Canyon. This breakout was utilized as an intake air portal until 1991 when the portal was sealed and backfilled.

In the early 1980's Kaiser submitted an application to permit the B Canyon area but failed to pursue the application. BP America Inc. acquired the lease and initiated permitting discussions with the Division, but after starting a water monitoring program for the area, sold the lease to Andalex Resources, Inc. who then pursued the permit.

The initial permit was issued on April 1, 1999. The permit area initially encompassed approximately 2660 acres of which 29 acres were disturbed for the surface facilities area. In addition to the mine site, a substitute topsoil borrow area (9.6 acres) was permitted as backup soil material for reclamation at the proposed mine site. This site is located approximately 1½

miles west of the mine site and would only be used to supplement existing soil resources at the mine site if needed.

There is also has an approved “experimental practice” at this mine site which involves leaving soil resources in-place during the mining operation rather than salvaging and stockpiling them for later reclamation use. Methods have been proposed to protect the soil in-place and at the conclusion of mining using the in-situ soils to accomplish reclamation.

On March 25, 2002 the Whitmore Canyon extension area received mining plan approval and added 1646.34 acres to the existing mine which added several years to the life of the mine. With the addition of the Whitmore Canyon Lease, the permit area then totaled 4307.63 acres. An additional 74.92 acres for the Penta Creek fee lease were approved on April 14, 2003. The current permit area is 4382.55 acres.

Mining occurs in the Lower Sunnyside coal seam using longwall mining methods. Continuous miners will be used mainly for mine development to support the longwall. It is anticipated that the mine will produce approximately 3 million tons of coal per year. The total future recoverable reserves could be as much as 50 million tons depending on the ability to mine under deeper cover.

The land surface of the permit area consists of rugged, southwest-facing cliffs, which are deeply dissected by steep ephemeral drainages. Pre-mining land use of the West Ridge mine area includes grazing, wildlife habitat, coal mining and recreational activities such as hunting. No agricultural activities have been conducted in or around the proposed permit area.

## PERMIT RENEWAL

West Ridge Resources, Inc. made application to the Division of Oil Gas and Mining for a five year permit renewal for the West Ridge Mine on January 7, 2004, which was 83 days, not 120 days prior to the permit renewal. Hindrance violation # N04-49-1-1 was issued and terminated on January 14, 2004 for failure to timely submit the permit renewal. This renewal encompasses the same permit area and disturbance as currently approved in the permit.

The renewal application was determined administratively complete on January 14, 2004. Public notice for this permit renewal was published in the Sun Advocate on January 27, February 3, 10, and 17, 2004.

## ANALYSIS

Requisite information for the permit renewal application was made and all notices were published as required. As result of the publication in the Sun Advocate, no comments were received.

The currently adequate bond amount of \$2,117,000 is posted (2004 dollars). The bond amount will be reviewed during the Division Order (DO-00A) review in 2004.

#### RECOMMENDATION

Approval for this permit renewal is recommended.

## PERMITTING CHRONOLOGY

West Ridge Resources, Inc.  
West Ridge Mine  
Permit Renewal  
C/007/0041  
Carbon County, Utah

April 1, 2004

January 7, 2004	West Ridge Resources, Inc. submitted a permit renewal application for the West Ridge Mine.
January 14, 2004	Determination of Administrative Completeness for this permit renewal application. Permit renewal completeness determination sent to applicable state, federal, and county agencies.
January 14, 2004	Hindrance violation #N04-49-1-1 issued for failure to submit the application for permit renewal 120 days prior to the expiration of the permit.
January 27, and February 3, 10, and 17 2004	Public notice for permit renewal for the West Ridge Mine was published in the <u>Sun Advocate</u> .
April 1, 2004	Permit renewal is issued to West Ridge Mine.

## PERMIT RENEWAL FINDINGS

West Ridge Resources, Inc.  
West Ridge Mine  
C/007/0041  
Carbon County, Utah

April 1, 2004

1. The permit renewal term will not exceed the original permit term of five years (R645-303-234).
2. The terms and conditions of the existing permit are being met. (R645-303-233.110).
3. The present coal mining and reclamation operations are in compliance with the environmental protection standards of the Act and the Utah State Program (R645-303-233.120).
4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program (R645-303-233.130).
5. The operator has provided evidence of having liability insurance (Federal Insurance Company #3710-95-30)(R645-303-233.140).
6. The operator has posted a reclamation surety in the required amount and has provided evidence that the surety will remain in full effect. (A surety issued by National Union Fire Insurance Company of Pittsburgh, PA in the amount of \$2,117,000 (Bond Number 91-B-54926) (R645-303-233.150).
7. The operator has submitted all applicable, revised or updated information as required by the Division at this time (information related to Division Order DO-00A is due on May 31, 2004). (R645-303-233.160).

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Permit Supervisor

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Permit Supervisor

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Associate Director of Mining

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Director